

Office Memorandum • UNITED STATES GOVERNMENT

TO : Assistant Director for Communications

DATE: 25 February 1953

FROM : Contracting Officer

SUBJECT: RD-35, Task I

1. Transmitted herewith is Contractor's letter No. 6940 dated 16 February 1953 requesting additional funds for the performance of Task Order No. 1 estimated at \$24,000.00.

2. A review of the Contractor's remarks with reference to the source of the funds indicates that a representative of OSI, which was originally joined with your office in the performance of (RD) XG-726, requested the Contractor to refrain from additional billings under (RD) XG-726, when the original funds were fully expended.

3. Discussion with [] OSI, confirms the fact that all original funds under (RD) XG-726 were fully expended as of the month of February 1953 and it is contemplated that all future billing by the Contractor for performance of RD-35, Task I, should be paid from Office of Communications funds. All future billings for performance of (RD) XG-726 will, of course, be paid from Office of Scientific Intelligence funds.

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4. The Contractor, therefore, did not have a balance of \$45,000.00 under (RD) XG-726 for performance of RD-35, Task I, under RD-35 as expected and continued performance of RD-35, Task I, is contingent upon additional funds estimated at \$24,000.00.

5. This office notes that the Contractor has made a change in his estimated cost for the performance of Task I, indicating a downward revision of \$2,000.00 and the only serious contractual problem is the present availability of the additional funds.

6. In view of the above your comments are solicited as to the ability of your office to assume the additional expense contemplated for the completion of Task I under RD-35.

Encl. []

PSO/JRS:hms (25 February 1953)

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